COCHIN

LEGISLATIVE COUNCIL PROCEEDINGS.

OFFICIAL REPORT OF THE BUDGET SESSION, 1114.

Tuesday, *18th July 1939.*
2nd Karkadagam 1114.

The Council met in the Council Hall, Ernakulam, at Eleven of the Clock with the Hon'ble the President (SIR SHANMUKHAM CHETTY, K. C. I. E.) in the Chair.

Mr. C. S. Sadasiva Ayyar was absent.

Mr. T. Narayana Menon was sworn in.

OPENING SPEECH BY THE PRESIDENT

Mr. President :—*Hon'ble Members,*

It is with great pleasure that I extend a cordial welcome to you to the Budget Session of the Council. The session that has just commenced will be one of the most arduous on record. In addition to the consideration of the annual budget, you will be called upon to take into consideration two legislative measures of a far-reaching character—an economic measure, the Agricultural Relief Bill, and a social measure, the Nambudiri Bill. Before calling upon the Hon'ble Finance Member to present the annual financial statement, I shall give a brief review of the main features of the financial and administrative work of the State during the year that is coming to a close.

ACCOUNTS OF 1113 M.E.

2. The constantly increasing growth in the public expenditure of the State and the successive deficits in the budgets of the years 1111 and 1112 were causing some anxiety to Government, and my main objective for the last two years in the financial administration of the State has been to restore the financial equilibrium and restrict the expenditure well within the limits of our annual receipts. It is a matter of gratification to me—as I am sure it will be to all Hon'ble Members—that beginning from the year 1113 we have placed our budgetary position on a sound basis. In the course of my speech in the last budget session I observed that the revised estimate of 1113 disclosed a deficit of Rs. 2·71 lakhs, and I expressed the hope

LIBRARY ARCHIVES Kerala Legislative Assembly

that, if the transaction relating to the sale of a portion of the Reclamation ground to the Port Authorities materialised during the year, we could expect a surplus of Rs. 3·21 lakhs. As a matter of fact, the accounts of 1113 closed with a realised surplus of Rs. 4·71 lakhs. In my last budget speech I gave a fairly detailed account of the transaction in question. We have sold to the Harbour Authorities 150 acres of the Reclamation ground for which we had paid Rs. 22·5 lakhs. We got from the Harbour Authorities an amount of Rs. 28·42 lakhs, which includes, in addition to the capital that we have invested, a sum of Rs. 5·92 lakhs representing the interest on our investment and the royalty due to us on the area. This transaction brings to a satisfactory conclusion the question of the ownership of the Reclamation area. This Reclamation now comprises a total of 775 acres, of which we own 100 acres and the Port Authorities 675 acres. The one hundred acres that are our property have been leased to the Port Authorities at an annual rental of Rs. 75,000, which represents 5 per cent on the capital amount invested by us. The sale of the one hundred and fifty acres has further enabled us to reduce our loan liabilities to the Government of India. We had arranged to borrow from the Government of India about Rs. 37 lakhs for the fourth stage works and for the cost of the dredger. We have now decided to restrict this borrowing from the Government of India to only Rs. 22 lakhs.

REVENUE RESERVE FUND

3. Out of the realised surplus of Rs. 4·71 lakhs in the account of 1113, Rs. 4·5 lakhs have been transferred to a Revenue Reserve Fund. It is our intention to transfer to the credit of this fund certain portions of the realised surplus of prosperous years so that this fund may provide a safe reserve to be drawn upon in lean years. By this arrangement we preserve the financial equilibrium in a satisfactory manner. Though the main object of this fund is to serve the purpose of a reserve, it has been ordered that Rs. 3 lakhs out of this fund shall be earmarked for rural development work and made available to the Hon'ble Minister during the course of three years at Rs. 1 lakh per annum. In addition to this outright grant of Rs. 3 lakhs, Government have also sanctioned a further grant of Rs. 1 lakh to enable the Hon'ble Minister to make recoverable advances to rural industries, co-operative societies and similar organisations.

REVISED ESTIMATE FOR 1114 M.E.

4. At the time of preparing the budget estimate for the current year, 1114, we expected a surplus of Rs. 3·30 lakhs. According to the revised estimate, we now expect a surplus of Rs. 4·91 lakhs. There has been an increase of Rs. 3·59 lakhs on the receipt side. The items that have mostly contributed to this increase are—Customs, Income-tax and Receipt from Interests. On the expenditure

LIBRARY ARCHIVES Kerala Legislative Assembly